

Message Text

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22

ACTION EA-09

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R 030726Z SEP 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 6572

INFO AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

AMCONSUL MEDAN

AMCONSUL SURABAYA

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E.O. 11652: N/A

TAGS: EGEN, PINT, ID

SUBJECT: CONTINUING PUBLIC DISCUSSION OF CORRUPTION

REF: (A) JAKARTA 10961, (B) JAKARTA 11290

1. SUMMARY. COINCIDING WITH AUGUST 17 INDEPENDENCE ANNIVERSARY AND PRESIDENT SUHARTO'S SPEECH ON THAT OCCASION IN WHICH HE ADMONISHED GOVERNMENT EMPLOYEES NOT TO "COMMERCIALIZE" THEIR OFFICES (REF A), THERE HAS BEEN SPATE OF PRESS AND OTHER PUBLIC COMMENT ON CORRUPTION REFLECTING CONTINUING CONCERN AMONG INFORMED PUBLIC AND SOME SLIGHT GROWING PERCEPTION BY GOI OFFICIALS OF NEED TO ACKNOWLEDGE THIS CONCERN. END SUMMARY.

2. CLEARLY ENCOURAGED BY PRESIDENT'S AUGUST 16 SPEECH, LEADING JAKARTA DAILY KOMPAS CARRIED LONG, UNUSUALLY FRANK STORY ON CORRUPTION ON FRONT PAGE OF AUGUST 26 EDITION. KOMPAS STORY USED DEVICE OF ASKING MEMBERS OF PUBLIC TO COMMENT ON SUHARTO'S STATEMENT THAT GOVERNMENT EMPLOYEES SHOULD NOT "COMMERCIALIZE" THEIR OFFICES. LGEN (RET.) M. JASIN, A BUSINESSMAN WHO HAS REPORTEDLY PROSPERED ON THE BASIS OF HIS PAST MILITARY CONNEC-

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TIONS, IS QUOTED AS SAYING THAT COMMERCIALIZATION OF OFFICE HAS

SPREAD FAR AND WIDE AND THE PERSONS IN QUESTION APPEAR TO FEAR NO PUNISHMENT. JASIN URGED THAT OFFICIALS OF THE STATE OIL COMPANY, PERTAMINA, BE EXAMINED AND PUNISHED APPROPRIATELY.

3. OTHER PERSONS INTERVIEWED BY KOMPAS DISCUSSED CAUSES OF CORRUPTION (LOW SALARIES, NO CHECKS ON POWER, RAPIDLY CHANGING SOCIETY, ETC.), AND ITS PERVASIVENESS. INTERESTINGLY, THE PRESIDENT OF THE JAKARTA BRANCH OF THE IMPORTERS ASSOCIATION WAS QUOTED AS SAYING QUOTE IT IS IMPOSSIBLE FOR BUSINESSMEN TO TURN DOWN OFFICIALS' DEMANDS END QUOTE, THUS IMPLICITLY REJECTING PRESIDENT SUHARTO'S "INVITATION" IN HIS SPEECH THAT BUSINESSMEN SET GOOD EXAMPLE AND NOT PAY "LUBRICATING MONEY". STORY ALSO COMMENTED THAT FOLLOWING LOCKHEED AND OTHER SCANDALS US MULTINATIONALS HAVE ORDERED THEIR FOREIGN SUBSIDIARIES NOT TO PAY BRIBES.

4. A FEW DAYS EARLIER KOMPAS GAVE FRONT-PAGE COVERAGE TO SIGNED DECLARATION ISSUED BY ASSOCIATION OF CATHOLIC UNIVERSITY STUDENTS (PMKRI) ON OCCASION OF INDEPENDENCE ANNIVERSARY AND POSING SERIES OF SHARPLY WORDED RHETORICAL QUESTIONS ON HOW WELL NEW ORDER GOVERNMENT HAD LIVED UP TO ASPIRATIONS EXPRESSED AT TIME IT TOOK POWER IN 1965. DECLARATION NOTED LAW IS APPLIED TO POOR PEOPLE WHOSE HOMES ARE TORN DOWN IF BUILT WITHOUT PERMITS AND ASKED WHY PERTAMINA CORRUPTION NOT TRIED BEFORE COURT. PMKRI ALSO ASKED WHAT HAPPENED TO INTENTION TO REGISTER WEALTH OF STATE OFFICIALS AND OBSERVED THAT WHILE "SMALL FISH" INVOLVED IN CORRUPTION WERE PUNISHED QUOTE IS IT NOT TIME TO BRING BEFORE COURT STATE OFFICIALS LEADING EXTRAVAGANT LIVES AND ROLLING IN WEALTH THEY HAVE OBTAINED IN ILLEGAL WAYS? END QUOTE. PMKRI STATEMENT ALSO PROMINENTLY CARRIED IN WEEKLY NEWS MAGAZINE TEMPO, WHILE SEVERAL JAKARTA DAILIES EDITORIALIZED ON PRESIDENT'S REMARKS ABOUT COMMERCIALIZATION OF PUBLIC OFFICE.

5. AT LEAST ONE SENIOR OFFICIAL HAS JOINTED IN COMMENT ON CORRUPTION. PRESS AUGUST 27 REPORTED THAT FOREIGN MINISTER ADAM MALIK, ASKED TO COMMENT ABOUT FOREIGN PRESS STORIES OF PAYOFFS TO INDONESIAN GENERALS IN CONNECTION WITH PURCHASE OF LNG TANKERS (REFB), REFUSED EITHER TO CONFIRM OR DENY THE STORIES BUT EXPRESSED CONCERN OVER CORRUPTION AND SAID QUOTE THERE IS NO PLACE FOR CORRUPTION IN MY OFFICE END QUOTE. LIMITED OFFICIAL USE

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GENERAL ALI SADIKIN, GOVERNOR OF JAKARTA, ALSO QUOTED IN EDITORIAL IN LEFTIST-NATIONALIST MERDEKA THAT COMMERCIALIZATION OF PUBLIC OFFICES WAS BECOMING PART OF INDONESIAN CULTURE. INTERESTING SIDELIGHT ON ALI SADIKIN PROVIDED TO PAO BY KOMPAS EDITOR, WHO SAID THAT KOMPAS HAD INTERVIEWED SADIKIN IN CONNECTION WITH ITS AUGUST 26 STORY BUT THAT LATTER HAD SECOND THOUGHTS AND PHONED TO REQUEST THAT HIS STATEMENTS TO KOMPAS REPORTER NOT BE PUBLISHED (WHICH THEY WERE NOT).

6. A FURTHER DEVELOPMENT OF INTEREST IS THAT AMBASSADOR WAS
RECENTLY ASKED BY TRADE MINISTER RADIUS PRAWIRO FOR INFORMA-
TION ON USG REGULATIONS REGARDING CONDUCT OF GOVERNMENT
EMPLOYEES AND CONFLICT OF INTEREST.
NEWSOM

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